





Europeans Expected to Urge That U.S. Adopt 'Zero Option' for Arms Talks

By Walter Pincus
Washington Post Staff Writer
THE HAGUE — Several European nations will propose this week that the United States adopt a "zero-level option" as its official opening bargaining position in the theater nuclear forces negotiations with the Soviet Union...

NATO defense ministers endorsing the zero option last week at a meeting in Gloucestershire, Scotland, as a possible negotiating proposal despite U.S. opposition.
The NATO allies, however, do not expect the Soviet Union to accept the zero-option approach...

Washington rejected it, arguing that, thereafter, the Soviet Union would not consider the allies serious in wanting some arms limitations.
Reagan administration officials have also criticized the zero-option idea, saying publicly that it raises false hopes about what can be achieved through negotiation...

NATO committee, the High Level Group, at the suggestion of the Reagan administration.
U.S. analysts were said to have suggested that if through the Geneva talks equal limits were placed on the NATO-based Pershing and Cruise missiles and the Soviet SS-20 missiles...



President Reagan and Saudi Crown Prince Fahd at the Cancun conference.

Reagan Steps Up Pressure in Senate To Save Sale of AWACS to Saudis

By John M. Goshko
Washington Post Staff Writer
WASHINGTON — President Reagan, fighting to save his \$3.5-billion aircraft sale to Saudi Arabia from congressional veto, has said that the sale constitutes the "greatest security" for the United States and Israel...

neighboring and local merchants say the man accused of attempting to assassinate a critic of the Libyan regime in Colorado last year stayed at an isolated English farm owned by Mr. Wilson four months after the shooting.
The man accused of making the assassination attempt, Eugene A. Tufaya, lived in a bungalow at Brookwood Farm, about 35 miles south of London...

Other news articles have said that Mr. Wilson tried to sell restricted computer technology to the Soviet Union and has been linked to the suspect in the Colorado murder attempt.
None of those matters were mentioned in the latest indictment.

arranging the Oct. 14, 1980, attack on the Libyan student, Faisal Zagalla, an outspoken critic of Col. Qadhafi.
U.S. investigators said last week that they were unaware that Mr. Tufaya lived on Mr. Wilson's farm last winter. They said the FBI and Scotland Yard, which had discovered the existence of the farm in March, had kept it under surveillance in the hope Mr. Wilson might go there himself.

Another American Accused of Aiding Libyan Terrorism

By Stuart Taylor Jr.
New York Times Staff Writer
WASHINGTON — A U.S. indictment has been made public accusing a 36-year-old Virginian of shipping explosives to Libya and training terrorists there as part of a conspiracy headed by two former CIA agents.

Washington rejected it, arguing that, thereafter, the Soviet Union would not consider the allies serious in wanting some arms limitations.
Reagan administration officials have also criticized the zero-option idea, saying publicly that it raises false hopes about what can be achieved through negotiation...

Neighbors of Mr. Wilson's English farm where Mr. Tufaya reportedly stayed said they did not learn until earlier this month that Mr. Tufaya faced criminal charges. He is currently being held in Fort Collins, Colo., pending trial on state charges.

450,000 March to Protest Arms Buildup

(Continued from Page 1)
Reagan administration to pursue the "zero option" of forgoing all deployment of the Cruise and Pershing missiles in arms talks with the Soviet Union scheduled to begin Nov. 30 in Geneva.
President Reagan does not own Britain and Europe," former Labor Cabinet member Tony Benn told the cheering crowd. He is a leading advocate of removing all of the several dozen U.S. military installations in Britain.

Mugabe Asserts Former Leaders Undermine State

The Associated Press
BULAWAYO, Zimbabwe — Prime Minister Robert Mugabe has accused two former prime ministers of anti-government activity, but he declined to give details and said the country would learn later what he meant.
On a tour Saturday of the western province of Matabeleland, Mr. Mugabe told reporters that his government had evidence that Ian Smith and Bishop Abel Muzorewa were involved in anti-government activity.

S. Africa Warns On Intermarriage

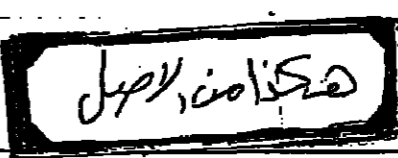
CAPE TOWN — The South African government has threatened to withdraw the marriage powers of Presbyterian clergymen if they defy apartheid laws by marrying couples of different races.
The general assembly of the Presbyterian Church of Southern Africa two weeks ago urged clergymen to marry couples irrespective of race or color. Mixed marriages are specifically banned under the country's race laws.

7 Miners Killed in Poland

WARSAW — An explosion set off by welding equipment used in a coal mine killed seven miners and injured another on Saturday in Zohrz, 185 miles (300 kilometers) south of Warsaw in the heavily industrialized province of Silesia, the government said.

Large advertisement for Air Florida featuring the headline "Fly a great American success story direct to the States." It includes a map of flight routes, contact information for various offices, and promotional text about service quality and economy.

Vertical text on the left margin: "BRIEF", "Gangster", "Port Firm", "File", "RSIVE", "Jash press".





جولائی ۱۹۸۱

# UN Is to Begin Process This Week of Electing New Secretary-General

By Michael J. Berlin  
*Washington Post Service*

UNITED NATIONS, N.Y. — The United Nations begins the process of electing a new Secretary-General on Tuesday, in a contest that pits the superpowers against the Third World and may prove to be the institution's most important decision of the year.

So far, there are just two official candidates — Austria's Kurt Waldheim, who is seeking an unprecedented third five-year term, and Tanzanian Foreign Minister Salim A. Salim, who has the formal endorsement of more than half the UN's 156 members.

But there are at least a half-dozen dark horses ready to jump in if a deadlock develops, a strong possibility.

**Political Authority**

Although the political and administrative authority of any secretary-general is severely limited by the charter and the institutional evolution of the United Nations, there remains the power to build or to erode the usefulness of the institution itself.

Only the most intractable issues can come to the secretary-general, and on these his ability to act as an intermediary is often limited by the unreality or the political bias of the tasks assigned him by UN legislative bodies on issues ranging from Afghanistan to South-West Africa (Namibia).

But the secretary-general can still speak out publicly, demonstrate his effectiveness and innovation as intermediary, catalyst, conscience — or at least as *dans ex machina*. And so the selection of a new person for the job is always a watershed for the United Nations, and potentially for the world.

Mr. Waldheim has conducted a masterful 10-year balancing act to satisfy the demands of the rival power blocs, but the feeling has grown among Third World diplomats that it is time for one of their own to take the leadership of the organization they see as the chief international mechanism for the advancement of their common interests.

The secretary-general's innate caution is believed to have earned him the support of both Washington and Moscow.

The drama begins when the names of Mr. Salim and Mr. Waldheim are voted on in secret ballots at Tuesday's closed meeting of the 15-nation Security Council. Each man is expected to win the necessary majority of nine on the first ballot, because council members may vote for more than one candidate.

But the expectation is that each will be vetoed — Mr. Salim by the

United States and Mr. Waldheim by China.

There is serious opposition to Mr. Salim in Washington from some observers who perceive him as an anti-American radical, a perception not present during the Carter administration. Others in the Reagan administration remember Mr. Salim leading the cheers in the UN aisles when Peking won the UN's China seat in 1971, much to the discomfort of George Bush, then UN ambassador and now vice president.

The Russians are thought to fear that Mr. Salim — an energetic and intelligent diplomat with long UN experience — will prove to be an activist as secretary-general, and that he is too close to Peking. But Moscow is expected to let the United States apply the coup de grace, to preserve its public record of support for the Third World.

The Chinese, who have always preferred a Third World candidate, have let it be known that they will veto Mr. Waldheim at least so long as Mr. Salim continues to hold his nine-vote majority. It is generally believed by diplomats, however, that Peking will give in before Washington does.

Many of Mr. Salim's votes — such as those by France, Ireland and Spain, which are expected to support both candidates on the first ballot — could erode on succeeding rounds, dropping him below the necessary nine, and prompting China to withdraw its veto of Mr. Waldheim.

That would break the deadlock and permit Mr. Waldheim to triumph in the council. In the past, such big-power decision has been conclusive. The 156-nation assembly, which must approve the council nominee (also by secret ballot), has been no more than a rubber stamp.

But this year, for the first time, Mr. Salim has emerged as a group candidate, rather than an individual running on his own merits. He won the formal endorsement of the Organization of African Unity in June, and that of the 83-nation Non-Aligned Movement late last month.

Not all of that support is solid, however, especially in a secret ballot.

Nevertheless, Algeria and other Salim backers have been lobbying for votes to have the assembly reject a council recommendation of Mr. Waldheim's candidacy. And the Latin Americans could join African nations to create such an assembly majority to promote the deadlock they seek.

Should such a stalemate arise, either in the council or by an assembly rebellion, the dark horses would emerge.



**PICASSO CELEBRATION** — While Madrid marked the 100th anniversary of Picasso's birth by displaying the painting "Guernica" in Spain for the first time, the painter's birthplace, Caltojar, celebrated with wall paintings.

## Basque Communists Reject Party Opposition to Merger

*Reuters*

MADRID — Leaders of the Basque Communist Party have rejected directives from national party headquarters against a proposed merger with a radical Basque nationalist party, saying: "These measures initiate the rupture of relations between" the two Communist parties.

The proposed fusion with the leftist Basque nationalist coalition Euzkadiko Ekerra has divided Basque Communists and has worried the national party's leadership.

## Australian Prelate Attacked at Mass

*United Press International*

SYDNEY — The Roman Catholic archbishop of Sydney, Cardinal James Darcy Freeman, was attacked by a man with a knife concealed in a bunch of flowers in St. Mary's Cathedral. Cardinal Freeman, 74, was not injured.

The cardinal had completed Mass and was moving to the side of the altar Saturday when the man came out of the congregation and lunged at him, the cathedral press secretary said. Priests and members of the congregation held the man until police arrived.

A police spokesman said the man had been charged with assault and carrying a "cutting instrument."

## Special Panel Being Set Up For Pakistan Council Chosen by Zia May Replace Assembly

*The Associated Press*

LAHORE, Pakistan — President Mohammed Zia ul-Haq has announced that an advisory council will be established next month to determine a framework for the country's political system.

Members of the council will be chosen by the president and his aides, the government press agency APP said Saturday.

Gen. Zia said at a press conference that a cross section of the country's population would be represented in the advisory council, or *majlis-i-shoora* as it would be known here. But he did not indicate whether the body would go beyond expressing opinions and propose specific changes in legislation.

The concept of an advisory council has been raised several times by President Zia's military regime, and there has been speculation that the aim is for it to replace the National Assembly, which has not met since 1977.

While advocating the formation of the council, Gen. Zia during the last year has questioned the appropriateness of Western-style democracy in an Islamic society such as Pakistan's. Critics have suggested that he wants to do away with the parliamentary system because of the possibility that he would be swept from power if a free election were held.

Gen. Zia came to power in a coup in July, 1977, that overthrew Prime Minister Zulfikar Ali Bhutto. Gen. Bhutto was hanged two years later after he was convicted in a murder-conspiracy case. Shortly afterward, Gen. Zia canceled promised elections and banned political activity.

**Family Faces Suit**

KARACHI, Pakistan (Reuters) — The military government has started legal proceedings against the family of Mr. Bhutto to recover about five million rupees (\$500,000) it says he misappropriated while in office.

Authoritative sources said summonses had been issued for Mr. Bhutto's widow, two sons and two daughters to appear before a court in the Sind region next month to answer the charges. The sources said the government case involved two separate amounts of money "dishonestly misappropriated" by Mr. Bhutto while he was prime minister.

## New Jersey Fire Kills 11

*The Associated Press*

HOBOKEN, N.J. — Eleven persons, including seven children, died Saturday in a fire at a five-story apartment building, police said.

## Carter Drops Plans to Sue for Libel Over Washington Post Gossip Item

By Paul Taylor  
*Washington Post Service*

WASHINGTON — Former President Carter says that he is dropping plans to sue The Washington Post for libel over a gossip item it published in its *Ear* column on Oct. 5.

Mr. Carter said he reached the decision after receiving a letter of apology and retraction Friday from the publisher of the newspaper, Donald E. Graham.

In a statement released by his Washington attorney, the former president said that the item had caused "considerable concern" to him and his wife, Rosalynn. He added: "Fortunately, because of my previous position, I had access to the public news media and could draw attention to my problem. Many victims of similarly false allegations do not enjoy this opportunity, but suffer just as severely."

The story that led to the dispute between the former president and The Post concerned rumors that Blair House, the government guest house, had been bugged when Ronald Reagan stayed there before Inauguration Day when he was president-elect.

Mr. Graham's letter of apology:

said that the gossip item was based on the account of a source whom the paper believed to be credible at the time of publication. The Post has not identified its source.

In his statement Saturday, Mr. Carter criticized the paper for taking two and a half weeks to retract its story. He also raised the question of whether The Post should be carrying a gossip column.

**Editorial Challenged**

"The decision by the publishers of a nationally and internationally influential newspaper like The Post to print a regular column which is widely known to be based on rumor and gossip adds unwarranted credence to its false reports," the statement said. "Even an instant and enthusiastic effort by newspaper editors to correct errors can never be completely successful in erasing the damage caused by unfounded gossip."

The *Ear*, which had been a popular feature of the defunct Washington Star, has been running in The Post since last month.

Mr. Carter's statement also took issue with an Oct. 14 editorial in which The Post made its first formal response to his demand for an apology.

"The editorial seemed to claim the right to publish rumors that are damaging to innocent people even if the rumors are believed by The Post editors to be untrue. Having seen the effects on my family and friends in this and other instances that publication of false allegations can have, I could not allow such a claim to go unchallenged. Yesterday's letter from Mr. Graham now makes clear that The Post does not claim the right to print rumors without verification of their accuracy."

Jody Powell, who was Mr. Carter's press secretary at the White House, said Saturday that the president decided not to proceed with a libel suit because "he concluded that the things that most concern him about this case could be addressed outside of a courtroom."

Mr. Powell said that he and Mr. Carter hoped the incident would receive a full airing in journalism reviews and in the community at large. "The president's hope is that without the threat of legal action hanging over his head, The Post will deal fairly and straightforwardly with some of the issues raised by this case," Mr. Powell said.

## Argentines Object to U.S. Award Being Given to Jacobo Timerman

By Edward Schumacher  
*New York Times Service*

BUENOS AIRES — A new controversy has arisen here over Jacobo Timerman, an Argentine dissident and former newspaper publisher who is to receive an award in New York Tuesday for "distinguished journalistic contributions to the advancement of inter-American understanding."

Several previous Argentine winners of the award, Columbia University's Maria Moors Cabot Prize, have protested against the award of the prize to Mr. Timerman. Angry notes have been sent to the university by Argentine publishers, writers and a cartoonist who have received the prize or represent recipients. Some have asked that their names be withdrawn from the list of past winners.

Mr. Timerman was publisher of the Buenos Aires daily *La Opinion* until his arrest in 1977 by Argentine security forces. In his book, published this year, he described torture that he underwent during two and a half years in detention because of his newspaper's defense of human rights. He also said anti-Semitism in Argentina contributed to the treatment that he, a Jew, received. He was expelled from Argentina in 1979 and now lives in Israel.

The award he is to receive was established in 1939 and consists of a gold medal, a certificate and \$1,000. It is to be presented to four journalists at a dinner at Columbia University Tuesday night. Mr. Timerman, author of the book "Prisoner Without a Name, Cell Without a Number," is being cited as having advanced the cause of human rights and the free flow of information.

Diana Julio de Massot, publisher of *Nueva Provincia* of Bahia Blanca, sent a telegram to Osborn Elliott, dean of the Columbia School of Journalism, saying: "Astounded that Cabot prize to Jacobo Timerman and that former Argentine recipients were not consulted." The note described Mr. Timerman as a "political opportunist, encourager of Marxist terrorists and partner of international swindler David Graiver."

The Cabot prize is given on behalf of the trustees of Columbia University, but the winners were chosen by a nine-member committee, most of whom were past recipients. According to a university official, two members were absent but the other seven voted unanimously for Mr. Timerman.

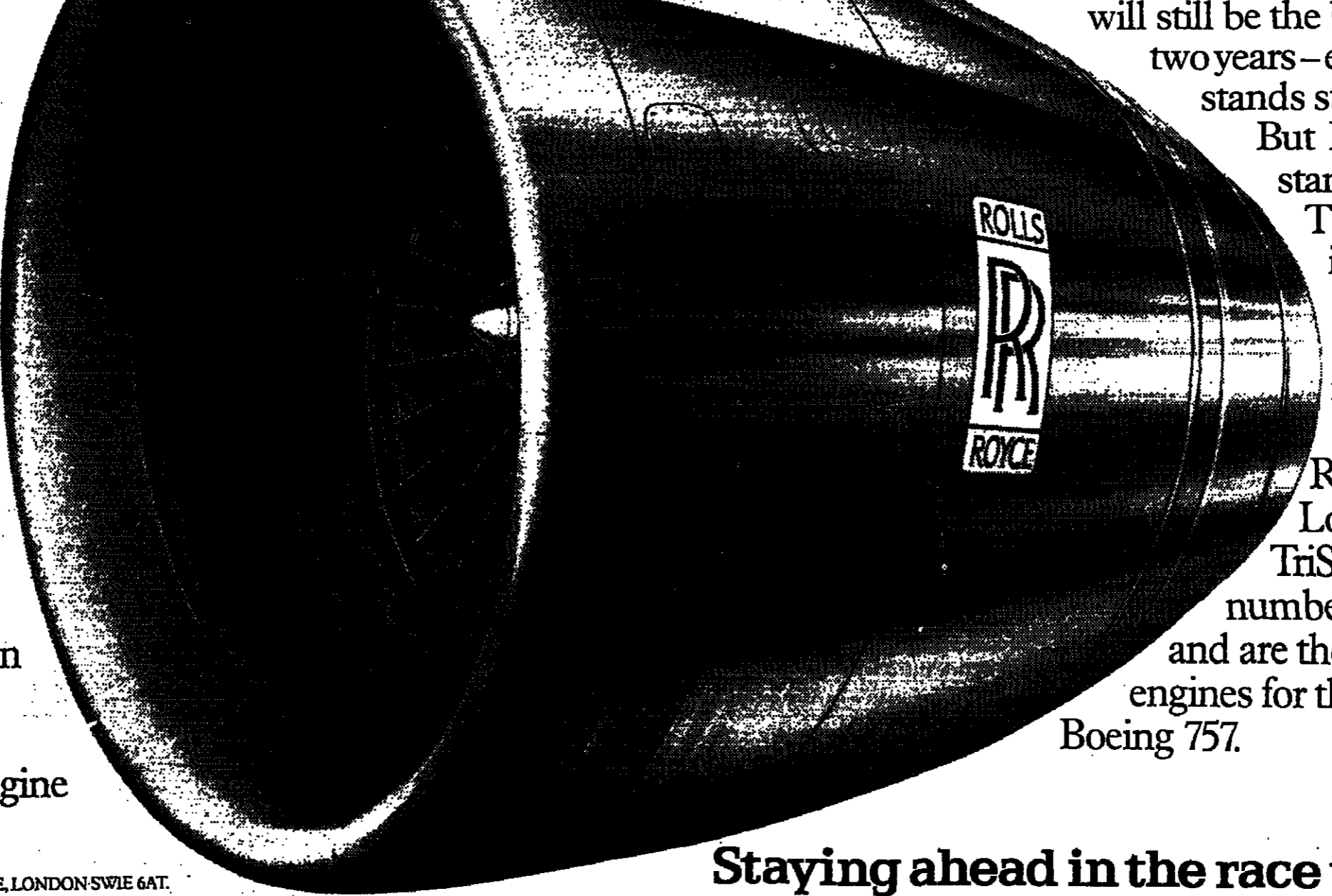
Mr. Timerman's former captors have released tape recordings of their interrogation of him; a focus of their questioning was his relationship with Mr. Graiver, an investor in Mr. Timerman's newspaper who was said to have given money to leftist terrorists. No proof has been presented of a Graiver-terrorist connection, however, and Mr. Timerman was cleared by a special military court.

"The moment Timerman gets the prize," said Máximo Gaimza, publisher of *La Prensa*, a leading daily here, "I am taking all the Moors Cabot plates off our wall."

*La Prensa* has won four of the awards and its reporters four more, accounting for almost half of all Cabot prizes given to Argentines, Mr. Gaimza said.

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For three years the Rolls-Royce RB211-524 engine has been the fuel economy leader in the Boeing 747 — the only airliner in service where the performance of the three large competing engines can be directly compared. The 524 has consistently demonstrated a lower fuel consumption than either of its competitors — not only when the engines are new, but even more so after thousands of hours of service life.



will still be the best for the next two years — even if Rolls-Royce stands still. But Rolls-Royce never stands still. The 524D4 is entering service with yet another five per cent improvement in fuel consumption. Rolls-Royce RB211s power all Lockheed L-1011 TriStars, a growing number of Boeing 747s and are the launch engines for the new Boeing 757.











Banking and Finance in ASIA

Hong Kong Rent Action Causes Concern

A CONTROVERSIAL decision by the government in Hong Kong to lift all rent controls on luxury apartments is likely to make banks think again about whether they should base their Asian operations in Hong Kong or Singapore.

question whether or not to move base to Singapore is a complicated one. Singapore is undoubtedly cheaper in many ways, and the economic infrastructure is sound. But in vital areas, it cannot match Hong Kong.

Asia Is a Target as Insurance Companies Aim Abroad

By Danielle Donougher

WITH the economic recession in the West reducing the profitability of the insurance industry, companies are increasingly looking to overseas markets for expansion.

Throughout the region, the level of life insurance remains very low compared with the highly protected West. A recent survey showed that only 4 percent of Hong Kong's population holds life cover, while in Singapore the figure is 12 percent.

should continue as their own need to spread risks increases. Earlier this year, for example, the Financial Times World Insurance Report noted that South Korea had agreed to revise a requirement that foreign companies wanting to participate in insuring local risks must also assume a share of the domestic industry's reinsurance requirements — that is, take on the insurance of existing cover.

ness, and were owned by companies with interests in other fields. Hong Kong is also seen by some as the base for potential expansion into China, with many companies in the territory developing relations with the state body, the People's Insurance Company of China (PICC).

stantial regional competition as a financial center from Singapore. The authorities in both places are reviewing insurance legislation, but the Hong Kong government is at pains to point out that its aims are very different from those of Singapore.

Contingency Plans Asked if it had any contingency plans, Citibank replied that it was not company policy to discuss personnel matters. But inside sources say that as a stopgap measure the bank will downgrade expatriate housing when the leases on the present premises expire.

Bottom Line But there is the bottom line to be considered. With the margins on syndicated loans in Asia so narrow, accommodation costs running into six figures a month can be a heavy financial burden.

The downturn in the underwriting cycle accompanying the recession has encouraged insurers to lower premium rates and maintain profitability largely on returns from investment income, boosted in recent years by high interest rates.

Life Insurance On the face of it, the popular view of Asia as a source of new premium income would seem to be justified. Hong Kong and Singapore are fast developing as financial centers, spurred by property and construction booms.

Low Taxes With its reputation for minimum control and for low levels of taxation, Hong Kong has proved particularly attractive to overseas companies. In recent years, increasing numbers of companies have set up operations not so much to do business locally as to manage activities elsewhere.

China itself is increasing its international participation, and has placed reinsurance overseas for business such as marine and aviation risks, which are exposed to foreign currency fluctuations.

In Hong Kong, the industry has long been under-regulated, and the government is attempting to formulate a set of rules under which insurers can operate effectively, at the industry's own request.

Joint Ventures in China Total 422

Special to the IHT FOREIGN investment in joint ventures with China stands at about \$1.65 billion, covering 422 projects in contractual joint ventures, equity joint ventures and what is termed cooperative exploration.

drilling — two with the French and two with the Japanese — have been signed with an investment of about \$900 million, according to the Chinese news agency.

On the face of it, the popular view of Asia as a source of new premium income would seem to be justified. Hong Kong and Singapore are fast developing as financial centers, spurred by property and construction booms.

As economies develop, countries that restrict foreign access will probably find it necessary to relax their regulations, Mr. Somerville said. Asian countries already place a considerable portion of their reinsurance abroad, and this

Meanwhile, new capital requirements for insurance companies introduced earlier this year have persuaded many smaller firms to leave. Sixty of the 350 companies registered in Hong Kong have closed since the regulations came into force, but government insurance official Brian Wilcox stresses that most of those that left were doing very little insurance business.

Portuguese Company The Portuguese, meanwhile, are hoping that Macao, as well as Hong Kong, will attract Chinese business. The Companhia Imperio de Seguros de Lisboa became the first Portuguese insurer to open a branch in Macao in July, as a base for developing links with China.

Whatever the approaches to expansion in Hong Kong and Singapore and whatever obstacles face international firms operating in the region, Asia will undoubtedly continue to attract overseas insurers' interest. While the regional market may be small, continuing constraints on expansion elsewhere in the world should keep attention centered on Asia as a source of new premium income.

Contractual joint ventures appear to be the most successful — both in terms of the number of projects and the size of investment. The Chinese news agency said that 360 projects involving \$500 million have been established. Most of the ventures are in the provinces of Guangdong and Fujian.

Profits are divided in direct proportion to shareholdings. The venture made 7 million RMB in profits in its first year. About 10 percent was deducted for workers' bonuses and welfare funds. The rest is shared by the participants, but no money was actually taken out.

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Management Control In this type of cooperation, management control usually remains in Chinese hands. Profit split is not based on the proportion of investment by the foreign partner but is decided by negotiation.

Property Investment Property investment can take the form of contractual joint ventures, which are favored by residential developers, or joint equity ventures, which are favored by hotel developers.

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China Luring Funds

(Continued from Page 7S) tures and in getting a foot in the door of the Chinese market. The two provinces have also been given more autonomy than other provinces in their business dealings with the outside world. This means speedier negotiations and more flexible interpretation of government rules and regulations.

China has promised improvements in all these areas. Accounting regulations, company law, patents law, more detailed legislation covering various aspects of foreign investment are said to be in the pipeline. And a streamlining of the bureaucracy is also said to be under consideration.

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# International Bond Prices - Week of Oct. 22

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

## RECENT ISSUES

Amst	Security	%	Mat	Issue Pr.	Mid Pr.	Yield
578	Gen Electric Finance	11 1/2	99	99.34	99.34	17.25
579	Edo Corp Invest Bond	11 1/2	99	99.14	99.14	17.13
580	Aluminum Finance Bond	11 1/2	99	99.14	99.14	17.03
581	Aluminum Finance Bond	11 1/2	99	99.14	99.14	17.03
582	Aluminum Finance Bond	11 1/2	99	99.14	99.14	17.03

## STRAIGHT BONDS

All Currencies Except DM

Amst	Security	%	Mat	Issue Pr.	Mid Pr.	Yield
112	Australia	11 1/2	99	99.14	99.14	17.25
113	Australia	11 1/2	99	99.14	99.14	17.25
114	Australia	11 1/2	99	99.14	99.14	17.25
115	Australia	11 1/2	99	99.14	99.14	17.25
116	Australia	11 1/2	99	99.14	99.14	17.25

Amst	Security	%	Mat	Issue Pr.	Mid Pr.	Yield
336	Proy of Quebec	11 1/2	99	99.14	99.14	17.25
337	Proy of Quebec	11 1/2	99	99.14	99.14	17.25
338	Proy of Quebec	11 1/2	99	99.14	99.14	17.25
339	Proy of Quebec	11 1/2	99	99.14	99.14	17.25
340	Proy of Quebec	11 1/2	99	99.14	99.14	17.25

Amst	Security	%	Mat	Issue Pr.	Mid Pr.	Yield
486	Security	11 1/2	99	99.14	99.14	17.25
487	Security	11 1/2	99	99.14	99.14	17.25
488	Security	11 1/2	99	99.14	99.14	17.25
489	Security	11 1/2	99	99.14	99.14	17.25
490	Security	11 1/2	99	99.14	99.14	17.25

Amst	Security	%	Mat	Issue Pr.	Mid Pr.	Yield
636	Security	11 1/2	99	99.14	99.14	17.25
637	Security	11 1/2	99	99.14	99.14	17.25
638	Security	11 1/2	99	99.14	99.14	17.25
639	Security	11 1/2	99	99.14	99.14	17.25
640	Security	11 1/2	99	99.14	99.14	17.25

### DM STRAIGHT BONDS

Amst	Security	%	Mat	Issue Pr.	Mid Pr.	Yield
786	Security	11 1/2	99	99.14	99.14	17.25
787	Security	11 1/2	99	99.14	99.14	17.25
788	Security	11 1/2	99	99.14	99.14	17.25
789	Security	11 1/2	99	99.14	99.14	17.25
790	Security	11 1/2	99	99.14	99.14	17.25

### HIGHEST YIELDS

to Average Life Below 5 Years

112	Australia	11 1/2	99	99.14	99.14	17.25
113	Australia	11 1/2	99	99.14	99.14	17.25
114	Australia	11 1/2	99	99.14	99.14	17.25
115	Australia	11 1/2	99	99.14	99.14	17.25
116	Australia	11 1/2	99	99.14	99.14	17.25

### HIGHEST YIELDS

to Average Life Above 5 Years

112	Australia	11 1/2	99	99.14	99.14	17.25
113	Australia	11 1/2	99	99.14	99.14	17.25
114	Australia	11 1/2	99	99.14	99.14	17.25
115	Australia	11 1/2	99	99.14	99.14	17.25
116	Australia	11 1/2	99	99.14	99.14	17.25

### HIGHEST CURRENT YIELDS

112	Australia	11 1/2	99	99.14	99.14	17.25
113	Australia	11 1/2	99	99.14	99.14	17.25
114	Australia	11 1/2	99	99.14	99.14	17.25
115	Australia	11 1/2	99	99.14	99.14	17.25
116	Australia	11 1/2	99	99.14	99.14	17.25

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Rising U.S. Inflation Leads to Buyer Caution

By Carl Gewirtz PARIS — There was a standoff in the Eurobond market last week. Lenders remained cautious about making new commitments, and borrowers were holding back hoping to tap the market at rates lower than they would now need to pay.

EUROBONDS

flation in the third quarter spurred to a 9.4-percent seasonally adjusted annual rate from 6.4 percent in the second quarter. The Labor Department on Friday announced a 1.2-percent rise in September consumer prices.

In the meantime, fears have been fanned that the U.S. government's need for cash is going to be huge and that as a result competition for money will drive interest rates sharply higher unless a very deep recession forces industry out of the credit market.

The Treasury this week will auction a record \$3.4 billion of short-term bills and is scheduled to announce the size of its quarterly refunding operation to be held next month. Given last week's admission by the Reagan administration that the federal deficits through fiscal 1984 are likely to be larger than had been projected, there is considerable worry that the Treasury will be looking to borrow very large amounts.

Henry Kaufman, the Salomon Brothers economist, commented: "The recent pattern of economic developments is troubling. It suggests further aggravation of corporate liquidity strains.... External corporate financing remains heavy and is being facilitated in the short-term sector. This situation is, of course, hardly helped by massive Treasury financing needs, which in a very shallow recession hinder the refinancing and necessary debt extension of private borrowers. If the economy were moving into a normal recession, this 'crowding out' would not be as significant a problem."

"The only ameliorating influence in this situation is the continuing monetary accommodation. The Federal Reserve still has considerable leeway to provide additional reserve infusions before M-1B threatens its long-run targets." As widely forecast, the M-1B measure of money supply declined \$1.5 billion in the week ended last Wednesday, leaving analysts convinced that short-term interest rates will continue softening.

The impact the rate decline in the short-term market will have on the bond market remains a subject of considerable debate. Many analysts do not believe long-term rates can fall substantially, because the pent-up corporate demand for long-term funds is enormous. Nevertheless, investment bankers report that potential borrowers are holding back from launching issues in the hope they will be able to sell bonds bearing coupons lower than what they would have to pay today.

17% Threshold Currently, issuers willing to pay 17 percent find a ready market; that rate appears to be a threshold of sorts. Bankers report that many investors, especially individuals as opposed to institutional clients, believe in a long-term rate of 17 percent or more is bound to prove to be a sound investment.

Thus, British Columbia Hydro's \$100 million of seven-year paper, priced at par bearing a coupon of 16 1/4 percent ended last week at 97 for a yield of 17.01 percent.

Caisse Francaise des Matieres Premieres, the French credit institution for raw materials, had a better reception selling \$100 million

of retractable adjustable-rate 15-year bonds. Holders have the option to redeem the paper at par at the end of each three-year period — 1984, '87, '90 and '93 — leading up to final maturity in 1996. In return, the borrower reserves the right to set a new rate of interest for each three-year period. How that rate will be determined has not been spelled out and all the borrower promises to do is to publish 60 days in advance what the new coupon will be.

By Elizabeth Bailey New York Times Service LONDON — Recently, Sir Freddie Laker has been appearing on television extolling the virtues of Wedgwood china, padded earphones, widely spaced seats, and the endless streams of champagne on Laker Airways' transatlantic flights. He is promoting his new "Regency" first-class air fare for business travelers which costs a whopping \$526 one-way, \$322 more than the standby fare that made his name a household word.

Is this the same Freddie Laker, champion of backpackers, pensioners and the "forgotten traveler," the same man whose name is synonymous with cheap, no-frills transatlantic fare? Yes. And then again, no. Sir Freddie still sees himself in battle against the big guys, among whom he now includes his bankers as well as his familiar opponents, the major airlines. But in addition to battling the airlines in his traditional preserve, the low-cost economy fare, he has gone into the high-priced end of the market in an effort to lift sagging profits.

Paris — Against a backdrop of worsening industry losses, executives from more than 100 of the world's airlines gathered in Cannes on Monday for the annual meeting of the International Air Transport Association. The three-day meeting of the industry trade association will focus on finding ways of coping with soaring costs and increasing productivity on the world's airline routes amid gradually expanding air travel, IATA officials said.

Thin Margins Fade From Fashion

By Carl Gewirtz International Herald Tribune PARIS — Skinny margins on syndicated loans are rapidly going out of fashion. The latest borrower to discover this is Petrocorp of New Zealand, which is seeking \$500 million at a split rate of 0.25-0.35 point over the London interbank rate for five years and 0.25-0.35-0.45 point over Libor for 10 years.

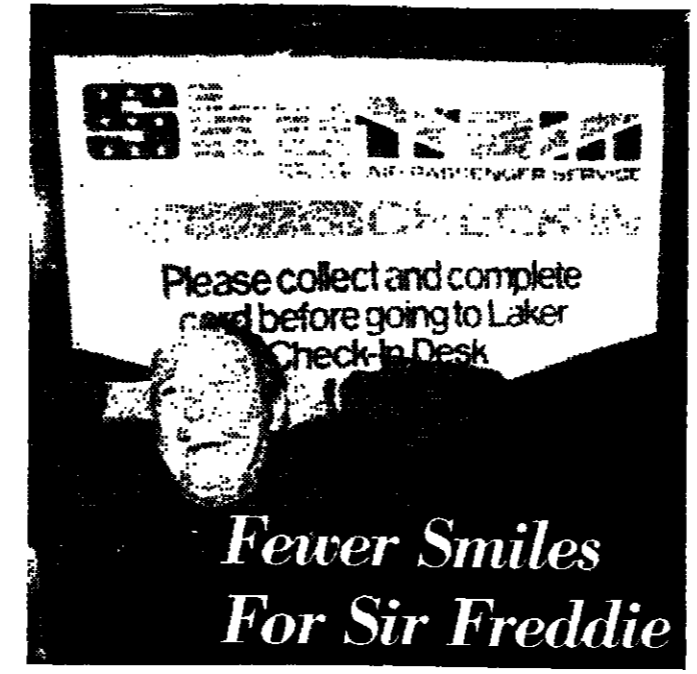
SYNDICATED LOANS

offered lenders was not sufficient. Petrocorp agreed to sweeten the fee structure. Whereas previously lenders had been offered a participation fee of 1/16 percent, they are now being offered 3/16 percent on a take of \$20 million and 1/4 percent on a take of \$50 million.

Lead manager European Banking Corp. says the increase in fees was aimed at bringing the yield to lenders into line with those offered by Austria and Electricite de France, and that the decision to alter the terms was made prior to any significant reaction from the market to Petrocorp's proposal.

However, even with the alteration, it is no secret that the response has been sluggish. About half the loan is spoken for — a not abnormal level at this stage of syndication, EBC says, adding that "given how finely priced it is, no one expected an immediate sell-out."

The problem Petrocorp is running into is that relative to the terms offered on other transactions — notably Malaysia and Indonesia, which both are paying 1/2 point over Libor for 10-year money — the New Zealand government-owned company is offering terms commensurate with its credit standing, but the absolute level of return is just not adequate to appeal to lenders.



its New York-to-London fares to levels matching Laker's. It offers a \$526 one-way, business-class fare and a \$261 economy-class fare. And while Sir Freddie's new Regency fare has official approval and Pan Am's fares do not stay ahead is open to question. Laker Airways, which began

to the expected loss by asking his creditors — publicly — for a postponement of payments due on loans to buy new aircraft.

"Everybody's trying to mess me up," he said then. Sir Freddie, whose planes fly from London to New York, California and Florida, blamed his bankers for bad advice on exchange rates, and the British and U.S. governments for keeping interest rates so high.

The decline of the pound in relation to the dollar hurt Laker because its debts are denominated in dollars and the planes it buys, many of them U.S.-made, are paid for in dollars. Most of the company's revenues, on the other hand, are in pounds. Laker Airways is struggling with two loan packages. One, a \$131-million syndicated loan managed by Midland Bank International, was made in January, 1981, to finance three Airbus A-300s. Though Laker has asked for a deferral of payments on that loan, the next installment is not due until January. None of the banks involved has commented on whether the loan will be deferred.

Bleak Fiscal Outlook Faces Airlines at Meeting in Cannes

By Axel Krause International Herald Tribune PARIS — Against a backdrop of worsening industry losses, executives from more than 100 of the world's airlines gathered in Cannes on Monday for the annual meeting of the International Air Transport Association.

The industry's unprofitability is the big issue up for discussion, said an association spokesman. Other, more controversial subjects such as deregulation of airline fares within the European Economic Community and rate structures on North Atlantic routes also are expected to be discussed by the more than 300 executives from passenger and cargo airlines belonging to IATA, which is based in Montreal.

The welcoming speech Monday by French Transport Minister Charles Fiterman, a Communist, is expected to address most of the key issues, but ministry officials said that contrary to some industry speculation, he is not expected to actively support efforts to reduce fares within the EEC.

look for 1982. Mr. Hammarström said that "the only solution for an improvement is to bring down the break-even requirements by reducing costs and increasing yields."

Currency Rates

Interbank exchange rates for Oct. 23 1981, excluding bank service charges.

Table with columns for currency pairs (e.g., Amsterdam, Brussels, Frankfurt) and their respective exchange rates.

Table with columns for Dollar Values (e.g., Australia, Canada, France) and their respective exchange rates.

Credit for Ivory Coast

LONDON (Reuters) — Four international banks are arranging a large Eurocredit to develop the Ivory Coast's Esport oil field, the first major loan for the multibillion-dollar project, banking sources report.

Two U.S. and two French banks have been selected by the consortium headed by Phillips Petroleum, they added. They are Bankers Trust, Citicorp, Banque Nationale de Paris and Ste. Generale.

This first credit could total about \$1 billion in two \$500-million tranches, the sources said, although discussions are in the early stages.

Currency Rates

Table with columns for interbank exchange rates for Oct. 23 1981, including bank service charges.

Accident in a Coal Mine Forces Japan to Review Domestic Energy Role

Steve Lohr New York Times Service TOKYO — For a week now, this nation has uneasily watched the images of tragedy from Yubari, a coal mining community 500 miles (800 kilometers) north of here that was the scene Oct. 16 of one of the worst mining accidents in Japan's history.

On television and in newspapers, the same two vignettes are shown again and again — bodies being carried away and aggrieved relatives weeping. But beyond the personal tragedy, the accident at Yubari is a big blow for Japan's coal industry and the government's recent efforts to increase domestic production.

The accident apparently was caused by an explosion of methane gas that had leaked into the deep underground mine, on the northern island of Hokkaido. The force of the blast collapsed a shaft, killing 34 miners and trapping 59 others. Rescue efforts were hampered by the poisonous gas and a fire in the pit.

Wednesday, executives of the Hokutan Yubari Coal Mining Co., which operates the mine, met with 500 relatives of the trapped miners and asked their consent to flood the mine — a step intended to put out the fire, but also ending all hope for the 59 miners still underground.

Mine Flooded

Thursday, company representatives called on the families of the trapped miners individually to get their formal approval, and the flooding began Friday. The death toll of 34 is the highest since a 1963 coal mine accident killed 237 miners. But beyond the personal tragedy, the mishap is a big blow for Japan's coal industry.

Like other Japanese mines, the Yubari operation has been heavily subsidized by the government. Before the accident, the mine was producing 1 million tons a year, compared with total production in Japan of about 18 million tons. Japan produces one-fifth of the coal it consumes each year.

In some circles, Yubari was viewed as a model of how, with financial help and the latest technology, more coal could be extracted from the thin veins far underground in this resource-poor nation. The mishap at Yubari is forcing government officials to reconsider the role domestic production

Advertisement for Industrias Peñoles, S.A. de C.V. featuring a large 'P' logo and text: 'U.S. \$60,000,000 Floating Rate Notes Due 1989'. Lists various financial institutions and contact information for J. Henry Schroder Wagg & Co. Limited.

Advertisement for Ramada Genera hotel, featuring the text 'The hotel for executives' and contact information: 'City center - tel (022) 31.02.41 - telex 26.91.09'.

International Bond Prices - Week of Oct. 22

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of International Bond Prices. Columns include Amt, Security, Maturity, Price, Yield, and various market indicators. Includes sub-section for CONVERTIBLE BONDS.

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Table showing coverage statistics for various newspapers: Handelsblatt (81%), Frankfurter Allgemeine Zeitung (78%), Die Welt (34%), Financial Times (14%), Economist (4%), Intern. Herald Tribune (2%).

\*Research Services Ltd., London, Sept. 1979

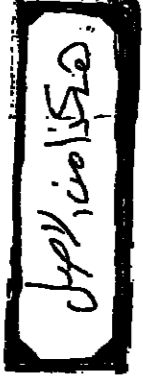
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HIGHEST CURRENT YIELDS

Table listing high-yield convertible bonds with columns for security, yield, and conversion details.

Explanation of Symbols

Legend for symbols used in the bond tables, including currency codes and market indicators.

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SENIOR EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

Table of Senior Executive Positions with columns for Position, Salary, Employer, Locat., Qualifications, Contact, and Source.

American Exchange Options

Table of American Exchange Options with columns for Option & Price, Calls, Puts, and various market data.



Over-the-Counter

Financial market data including stock prices, bid/ask spreads, and volume for various companies and indices. Includes columns for 'Selling', 'High', 'Low', 'Last', and 'Net'.

Chicago Exchange Options

Options market data for the week ending Oct. 23, 1981. Includes columns for 'Option', 'Strike', 'Call', and 'Put' prices for various underlying assets.

NOTICE OF REDEMPTION RELIANCE INTERNATIONAL N.V. (formerly Leasco International N.V.)

Legal notice regarding the redemption of Reliance International N.V. debentures. Includes details on conversion to common stock, interest payments, and contact information for the company and its legal counsel.

Consolidated Trading Of AMEX Listings

Summary table of AMEX trading activity, including volume, high/low prices, and net change for various securities.

Consolidated Trading Of NYSE Listings

Summary table of NYSE trading activity, including volume, high/low prices, and net change for various securities.

Treasury Bills

Table of Treasury bill yields and prices for various maturities, including 13-week, 26-week, and 52-week bills.

Advertisement for Amfas Groep N.V. featuring the company logo, financial details (Dfls. 40,000,000), and a list of international banks that are part of the group's network.



Special

Selected U.S. College Football Results

Table of college football results with columns for team names, scores, and locations. Includes teams like Alabama, Auburn, and various state schools.

Tailback Warner: Another Paterno Prodigy

By Gordon S. White Jr. Walker of the University of Georgia. He did not start Saturday's game against West Virginia... Warner was raised by his grandfather, a retired coal miner.

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Over-the-Counter

Large table of over-the-counter stock prices with columns for stock names, prices, and changes. Includes companies like Amgen, Amgen, and various pharmaceuticals.

INTERNATIONAL INCOME FUND provides the following choice of investments: Short Term 'A' Units, Short Term 'B' Units, Long Term Units.

Mutual Funds table listing various funds like American Mutual, Fidelity, and others with their respective prices and changes.

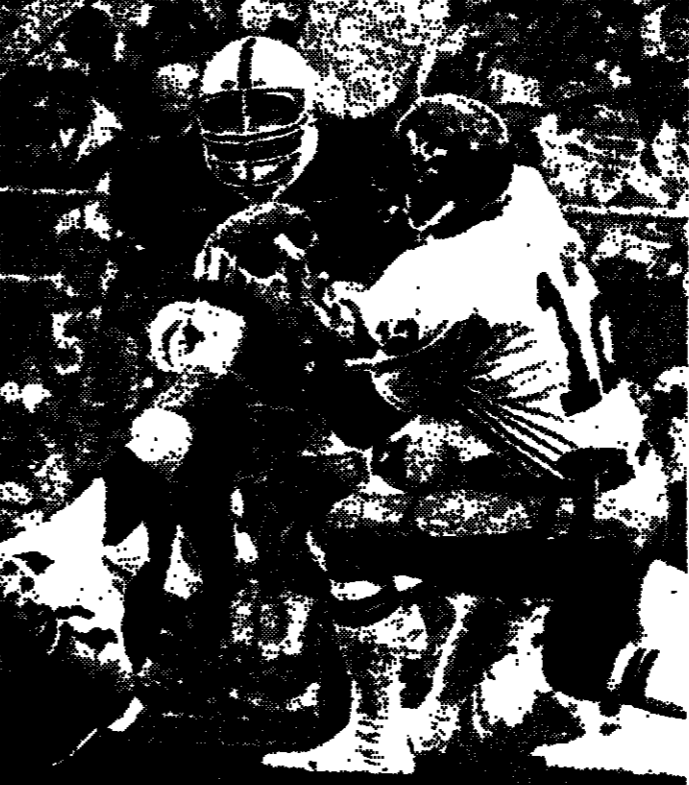
Gold Options (prices in \$/oz.) table showing prices for gold options with columns for price, volume, and date.

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What is the outlook for the major currencies? The consultants of Forex Research will assess the exchange rate outlook for the major currencies.



West Virginia's Oliver Luck, right, and Penn State's Rich D'Amico battled for ball possession after Luck's pass was blocked in the second period Saturday. Penn State won the contest, 30-7.

Transactions BASEBALL CHICAGO—Traded Davey Robinson, pitcher, and Gary Holt, first baseman, to Philadelphia for Jose Cruz, infielder.

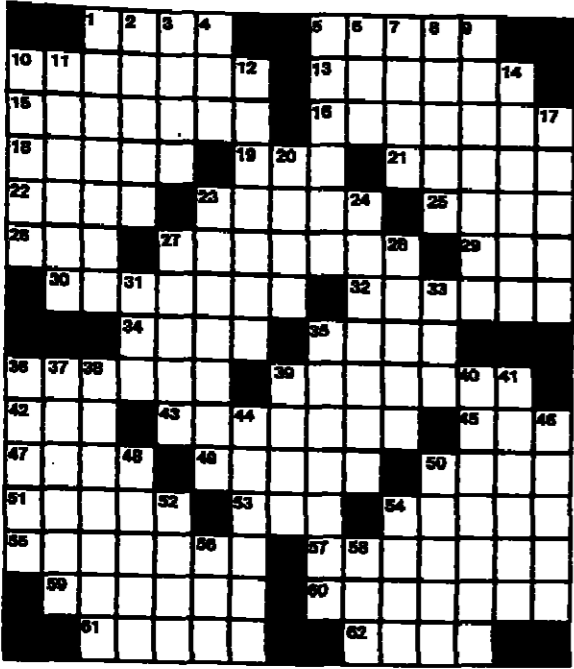
FOOTBALL National League CHICAGO—Acquired Junior Kennen, infielder, from Cincinnati for a player to be named later.

More Sports On Page 19

CLASSIFIED ADVERTISEMENTS (Continued from Back Page) ESCORTS & GUIDES CONTACT INTERNATIONAL, GENEVA, AMSTERDAM, LONDON, BELGRAVIA, CAPRICE, CACHET U.S.A., REGENCY - USA.

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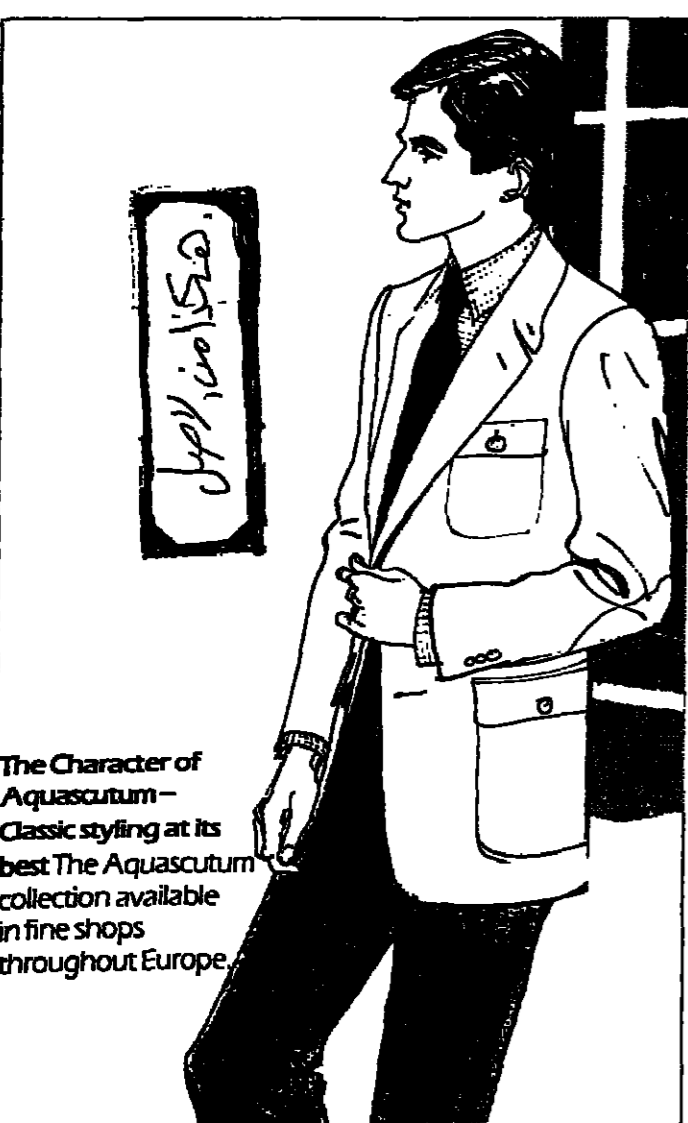
By Eugene T. Maleska



- ACROSS
1 Memorable anthropologist
3 Tire part
10 Gays, for one
13 She wrote "Manzfield Park"
15 "View of Toledo" artist
16 Yankee third baseman
18 Actress Leslie
19 Like Leroy Brown
21 Corroded
22 Soviet son
23 Harvest address
25 Was transported
26 Basketball team
27 "Montezuma and Wolf" author
28 Martinique, e.g.
29 He wrote "The Skin of Our Teeth"
34 Choir singer
35 Farca unit
36 Antlered animal
38 Robin's perch
42 Spanish river
43 Nautical instruments
45 Women's
47 Sygne's abode
49 Elegen specialties
50 Roofing material
51 Author Ernest Thompson
53 Show agreement
54 English county
55 Compliment
57 Babyloian's neighbor
58 Trademark
60 Least dry
61 Send by stages
62 Equal
DOWN
1 Birds do it; whales do it
2 Register
3 Solar disk
4 Last too
5 Rig keyhole
6 Woody herb
7 Beatrice
8 Soap product
9 Triangular
10 pie
11 Vistogothic king
12 Rosellini
14 Kind of work or point
17 Be disagreeable
18 River boats
23 Southwestern saloon
24 They make cards and boards
27 Tripping tropics
28 Diamond performers
31 Seasons period
32 "Galsworthy novel" (Galsworthy novel)
35 Awesome
36 Snatch a purse, e.g.
37 Drying frames
38 He played Mister Tibbs
39 Concert number
40 One of England's lords
41 Post, Tibbets et al.
44 Mean, as a hotel
46 "John Brown's Body" poet
48 Band leader
49 House of Arizona's Sun Devils
52 Not blinding
54 Title Christie Ray
56 Byron is one
58 Race section

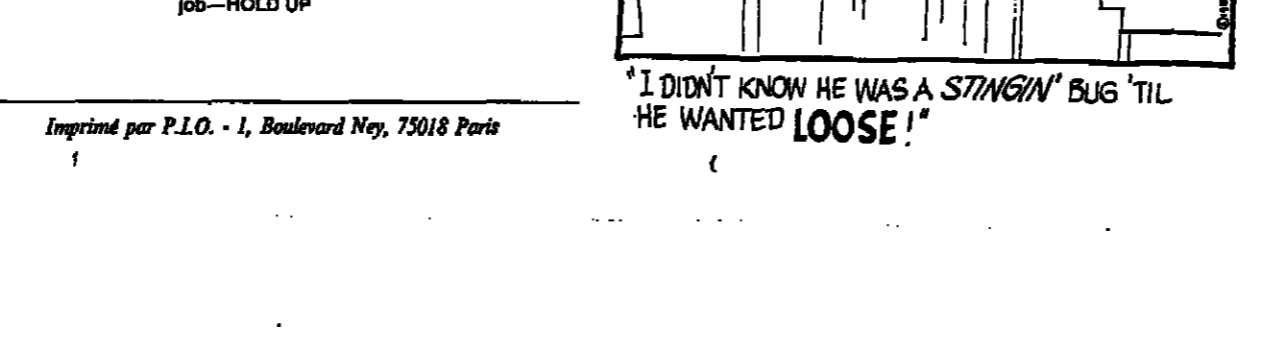
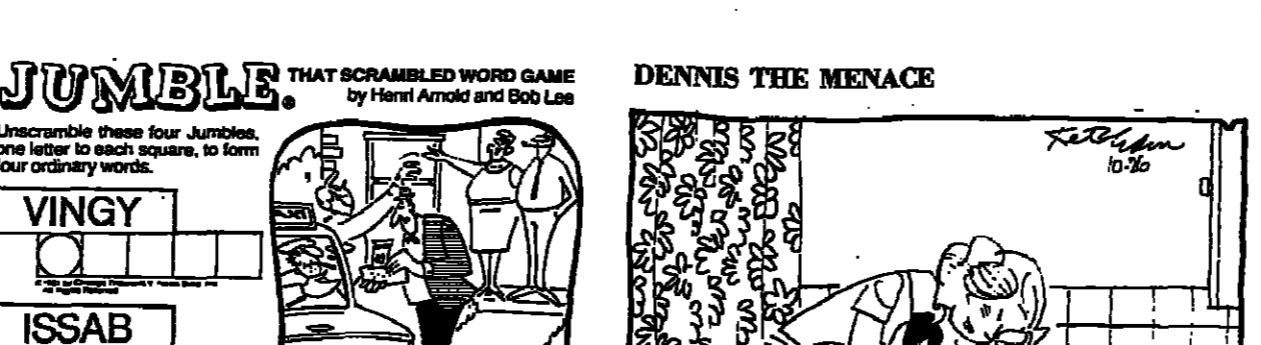
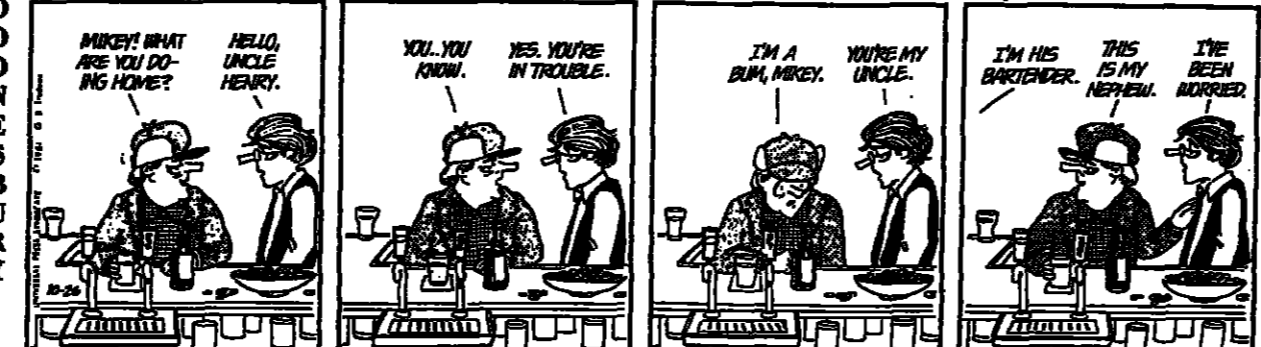
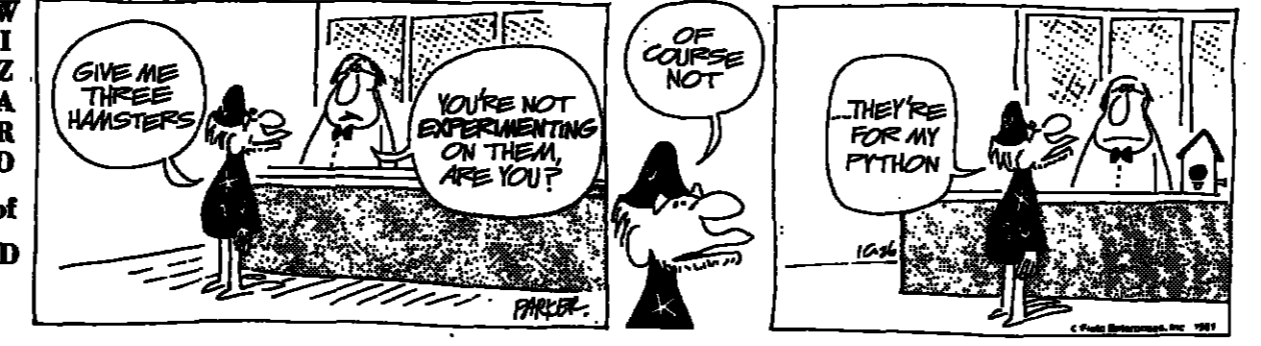
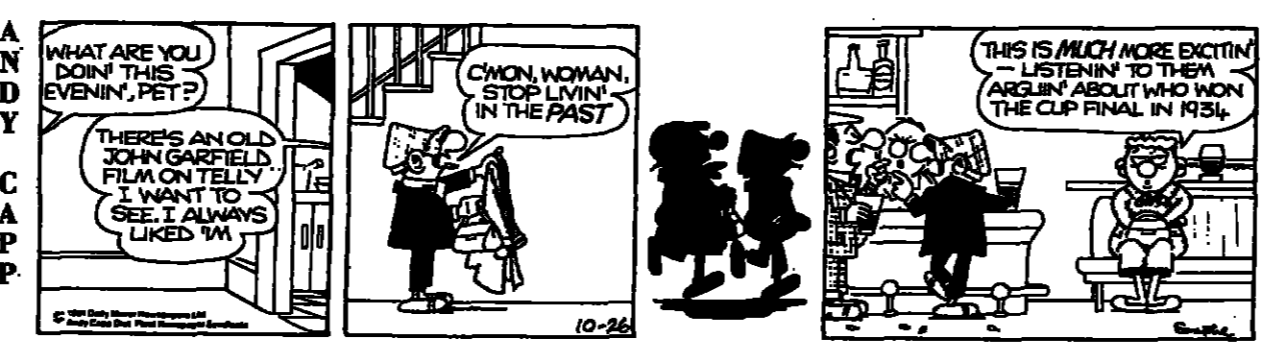
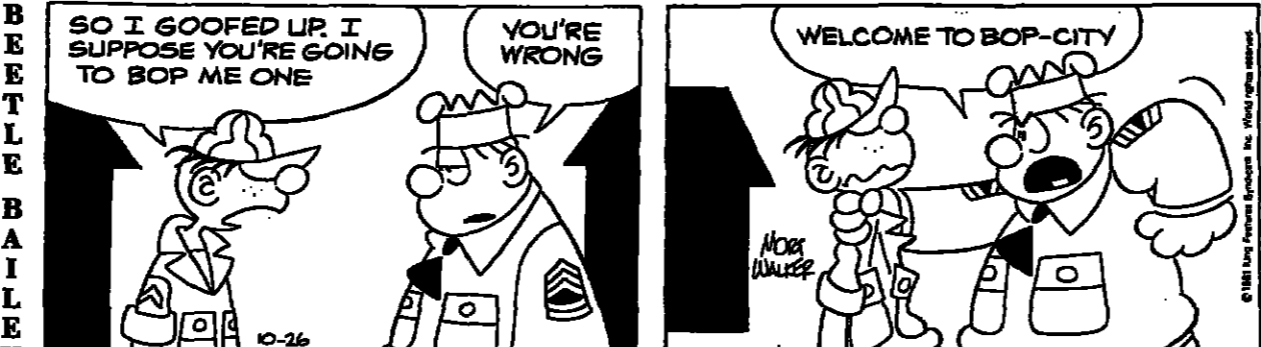
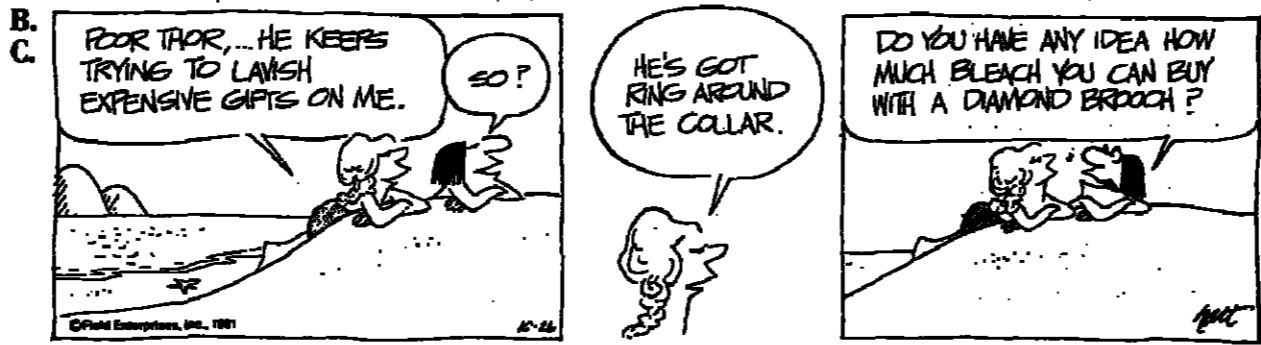
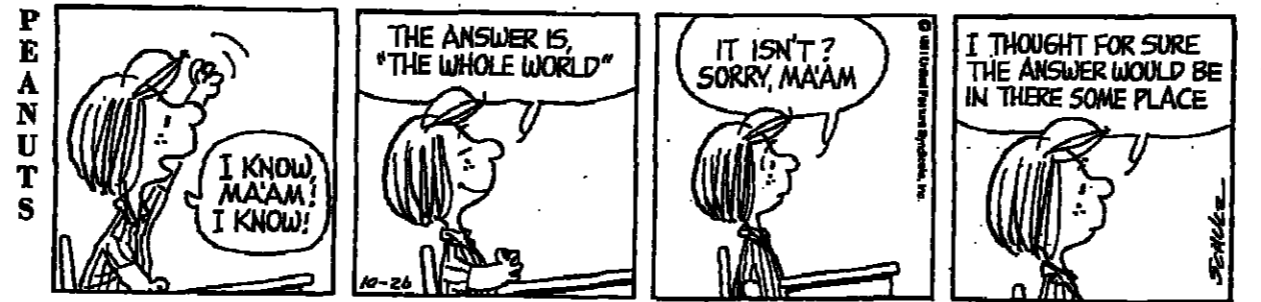
WEATHER

Table with columns for city, high, low, and weather conditions. Cities include ALBUQUERQUE, ALBUQUERQUE, ANCHORAGE, etc.



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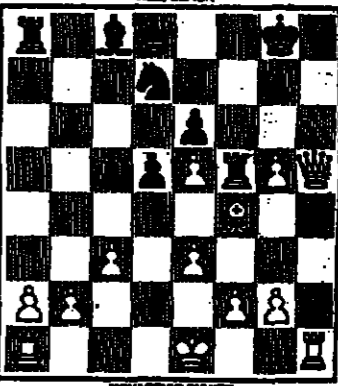
ROMANTICS AND ROMANTICISM By Michel Le Bris. 215 pp. \$85. Skira/Rizzoli, 712 Fifth Avenue, N.Y. 10019. ROMANTICISM By Jean Clay. With a foreword by Robert Rosenblum. 320 pp. \$50 to Dec. 31; \$60 thereafter. Phaidon/Vendome, 515 Madison Ave., Suite 1906, N.Y. 10022.

Reviewed by Anatole Broyard. "COLOR is the pain of light," where else but in a book on Romanticism would you find a shimmering sentence like that of Goethe's? Here are some more by other writers: "The tragedy of landscape." "That rent made by nature in the innermost steps of the self." "The deliverance of the glance." A haggard exploration of contradictions. Whatever else you may say about Romanticism - and it is sometimes fatuous - it does permit heroic phrase making. What is Romanticism, exactly? In "Romantics and Romanticism," Michel Le Bris says that the Romantic movement had only just begun in the beginning of the 19th century when Friedrich von Schlegel admitted that he had already filled 100 pages with vain attempts to define it. In "Romanticism," Jean Clay points out that, in 1824, two French scholars set out to define the term and gave up in despair after a year. By 1925, Clay says, a Belgian scholar compiled 150 accepted definitions, all of which seemed pertinent. In spite of his Romantic remark about color, Goethe was severe about Romanticism in art. "I call Classic what is healthy," he says, "and Romantic what is sick." In the second half of the 19th century, Degas said, "A Classicist is a Romantic who has arrived."

Solution to Friday's Puzzle. A grid of letters with words highlighted. Words include: PEP, SATIN, REPS, ODO, CLOSE, BELLA, TARO, OMAS, QUAN, MENOFWORDS, TAFT, PEER, AIRS, VALET, EGO, REASON, ODO, HAWK, REASON, EGO, RED, DONNETS, LIND, MITE, ANNE, OPEC, PING, ARETHEBEST, ARID, EMILE, JCOM, BELL, AMBER, THREE, TOLE, BAREE, WOLE.

CHESS

Vlado Kovacevic, a Yugoslav grandmaster, won the Maribor, Yugoslavia, international tournament, scoring 10-3 in the 14-player round-robin event. Jonathan Speelman of Britain captured second place with 9 1/2-3 1/2, thus attaining grandmaster rank. Grandmasters Hans Ree of the Netherlands and Dragoljub Velimirovic and Juraj Nikolic of Yugoslavia shared third place with 8-5 scores. In beating Ree with a gung-ho speculative attack, Kovacevic played in the style of a cavalier of the last century. His 3 B-B4 was the introduction to old-fashioned play, but what had he intended against the sharp 3... P-B4: 4 P-K3, Q-N3 except the defensive 5 Q-B1? Ree mobilized in a solid, passive style, however, prompting Kovacevic to strive for an attack against the king with 8 P-KR4!



After 18 QxP1, Kovacevic was able to add threats of promoting the advanced KNP to his mating attack, thus 18... R-B1; 19 R-R1, N-P2; 20 Q-Q2, 21 B-B4, 22 B-B4, 23 BxR, K-Q2; 24 BxR, Q-Q2; 25 BxP, N-P7, BxP; 26 BxP pins Black a pawn down. On 20 Q-N8, Ree could not stop 21 Q-B7mate by 20... Q-K2 because of 21 R-R7, so he gave back a piece with 20... NxP; 21 BxN to run with his king. After 23 Q-R7ch, Ree saw that he had to lose the exchange, either by 23... Q-K2; 24 B-B6, QxQ; 25 R-Qch, K-B2; 18 P-K3, K-B1; 19 QxP, N-B1; 20 Q-R3, K-Q2; 21 P-N7, N-N3, when White's attack grinds to a halt. Instead, his immediate 13... P-B3 was no deterrent 14 N-N5! P-N2; 15 PxP, after which 15... RxB7 would have permitted 16 Q-R5ch, K-B2; 17 P-N6ch, KxP; 18 Q-R5mate. Probably Ree's last chance for defense was to give back a piece by 15... BxP; 16 BxR, Q-B2. His alternative with 15... R-B4 gave Kovacevic the opportunity to achieve a beautiful victory: On 16 Q-R7ch, it was not possible to escape with 16... K-B1 because of 17 Q-N6! K-N1; 18 R-R7, B-B1; 19 Q-R5 forcing mate.

RADIO NEWSCASTS

Table with columns for region, time, and frequency. Regions include Western Europe, Middle East, East Africa, South Africa, and Africa.

VOICE OF AMERICA

Table with columns for region, time, and frequency. Regions include Western Europe, Middle East, East Africa, South Africa, and Africa.

RADIO CANADA INTERNATIONAL

Table with columns for region, time, and frequency. Regions include Western Europe, Middle East, East Africa, South Africa, and Africa.

Walters Angeles

Touchdown





